

**TESTIMONY OF
Catherine Rees, MPH
Director, Community Benefit
Middlesex Hospital
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Thursday, February 16, 2017**

**HB 7027, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2019,
And Making Appropriations Therefor**

Members of the Appropriations Committee – my name is Catherine Rees, Director of Community Benefit at Middlesex Hospital, and I thank you for the opportunity to present testimony today in opposition to HB 7027.

Connecticut's not-for-profit hospitals find ourselves in a familiar seat – again defending against detrimental financial pressure from the Governor's proposed biennium budget; again expected to be the panacea to the state's budget crisis. We will therefore continue to explain how these unreasonable taxations will continue to negatively impact the health of our local communities and collectively the health of the state.

The dollars at stake have been monumental: since the state's fiscal year 2012, Connecticut hospitals have paid more than \$2.5 billion in state taxes and pay \$556 million every year. For Middlesex Hospital alone, we have paid almost \$98 million since FY12 and are expected to pay \$21 million this year. Now Connecticut hospitals must endure the proposed elimination of hospitals' real property tax exemption totaling \$212.2 million in aggregate – Middlesex Hospital would pay an additional \$7.4 million - with no guarantee of supplemental payments from the state.

What impact will this additional taxation have? Across the state our most vulnerable community members will continue to suffer the consequences, members from the communities you also serve.

To illustrate the impact, I'd like to ask this question: how many of you personally know:

- 1) Someone who experiences acute mental health issues and complex social conditions (such as poverty, food insecurity, housing insecurity, lack of transportation, low literacy) which require clinical and non-clinical intervention in order to address the health need?
- 2) Someone who is a young adult experiencing mental health and/or substance abuse issues whose parents are exhausted and fearful and at a loss for how to help, turning to their local hospital for guidance and assistance?

- 3) Someone who has a severe alcohol use disorder and is unable to achieve sobriety or recovery without health care and social need intervention?
- 4) Someone who experiences opioid addiction and is at risk for overdose?
- 5) Someone who is a vulnerable older adult desperately in need of clinical and social supports to be able to age safely in place?
- 6) Someone who has chronic asthma and suffers from the inability to comfortably breathe because of lack of resources or an un-modifiable living environment due to income constraints?

I am sure that many of you, like me, know people who fall into these categories. Perhaps that someone is a family member or a friend or a neighbor.

The above six priority areas grew out of Middlesex Hospital's 2016 community health needs assessment; they focus on at-risk populations that endure daily struggles and challenges which prevent good health and quality of life and, represent responsive hospital-based initiatives that are either not reimbursed or under-reimbursed and are therefore funded through our operating revenue. These represent the types of at-risk programs for de-funding based on additional taxation.

For years Connecticut not-for-profit hospitals have measured community health status and built innovative and robust community-based programs with impressive outcomes that improve the health and stability of our communities. We have dedicated extensive resources to clinical and non-clinical un-/under-funded services in order to uncover and address, through community partnerships, the root causes that lead to poor health for the marginalized.

For years Connecticut not-for-profit hospitals have testified about these programs, yet there seems to be a continued lack of understanding by some on the state-level as hospitals remain under fiscal attack and the stated dire consequences to the health and well-being of our communities are disregarded.

For those of you who oppose this bill, we thank you for your continued support and applaud your championing community health.

For those of you who support this proposal, I ask you think about the aforementioned at-risk populations and your own personal and professional connections. Would you want these vital non-/low-revenue generating programs to be discontinued or scaled back in your communities because your local hospital has been asked to divert operating revenue to a real property tax? Would you want your community's most vulnerable to be on the losing end of this proposal?

For these reasons, we ask you to vote "No" on the real property tax option proposed in HB 7027. Thank you for your time and consideration of our position.